



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Repeal Resolution 2007-40 and adopt Resolution approving the revised distribution of the 2007-08 Federal allocation of Community Development Block Grant and HOME Program funds and the reallocation of available funds from previous program years.

MEETING DATE: March 21, 2007

PREPARED BY: Community Improvement Manager

RECOMMENDED ACTION: Repeal Resolution 2007-40 and adopt a Resolution approving the revised distribution of the 2007-08 Federal Community Development Block Grant (CDBG) and HOME Program funds and the reallocation of available funds from previous program years.

BACKGROUND INFORMATION: As indicated at the Public Hearing that was conducted on March 7, 2007, our allocation of Federal funds from the Department of Housing and Urban Development (HUD) had not yet been finalized and adopted by Congress and was estimated to be \$610,460 for CDBG funds and \$263,675 for HOME funds.

The official allocation amounts were released on March 9, 2007. Our CDBG allocation is \$717,592, and our HOME allocation is \$261,860. With the revised allocations that provide \$107,132 more in CDBG funds and \$1,815 less in HOME funds, a Resolution is needed to revise the distribution of funds. We are not required to conduct a second Public Hearing to address this revision.

It is recommended that the additional CDBG Program funds be distributed to those projects and programs that were approved for funding during the Public Hearing on March 7th. Specifically, the additional \$107,132 in CDBG funds would be allocated to the LOEL Foundation for their Senior Housing Acquisition, and their HOME Fund allocation would be reduced by the same \$107,132, thereby allowing us to dedicate that amount of HOME Program funds to our existing Down-Payment Assistance Loan Program.

As indicated in the attached Performance Data for the Housing Assistance Loan Program (Exhibit A), in the past five years we have made 17 down-payment assistance loans totaling \$550,380. It should be noted that due to the increase in housing prices in 2004, the maximum loan amount of \$20,000 was not sufficient to bridge the down-payment "gap" that many homebuyers encountered and housing assistance loan programs throughout the County ground to a halt until those limits were raised, first to \$50,000 in 2005 and then to \$80,000 in 2006. With those increases, we have seen movement again within the program. Just in the first 3 months of 2007, we have two applications in process. However, with those higher loan amounts, the allocations of HOME funds are depleted that much quicker, thereby emphasizing the need to maintain an annual allocation of HOME Program funding there.

APPROVED: _____

Blair King, City Manager

A comparison of funding originally allocated at the March 7th meeting and the proposed redistribution of funds can be found on the attached spreadsheet (Exhibit B).

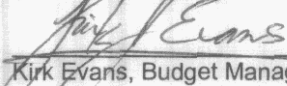
The addition of \$40,596.68 in reallocated CDBG funds from previous program years was not affected by the change in our CDBG allocation and remains as such in the attached Resolution.

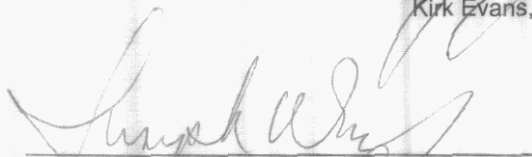
FISCAL IMPACT:

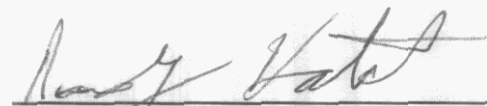
There is no fiscal impact as the total of the funding amounts for those projects and services approved during the initial Public Hearing are being maintained.

FUNDING AVAILABLE:

2007-08 CDBG & HOME Program Funding


Kirk Evans, Budget Manager


Joseph Wood
Community Improvement Manager

Concurred: 
Randy Hatch
Community Development Director

Attachments

cc: City Attorney's Office
SJC Community Development

EXHIBIT A

Housing Assistance Program – Down-Payment Assistance Loan Program Performance Data (5 years)

2006	-	2 Homebuyers Assisted	
		• 904 N. Rutledge	(\$60,000)
		• 910 N. Rutledge	(\$50,000)
2005	-	2 Homebuyers Assisted	
		• 2401 Eilers Dr #607	(\$50,000)
		• 2401 Eilers Dr #104	(\$31,580)
2004	-	1 Homebuyer Assisted	
		• 1800 S. Sacramento St.	(\$20,000)
2003	-	9 Homebuyers Assisted	
		• 720 McCoy Ct. #74	(\$20,000)*
		• 905 Wellswood	(\$20,000)
		• 625 N. Church St.	(\$20,000)*
		• 515 S. Washington St.	(\$20,000)*
		• 312 W. Lambert Ct.	(\$20,000)*
		• 700 W. McCoy Ct. #32	(\$20,000)*
		• 1215 W. Lodi Ave.	(\$20,000)
		• 606 N. School St.	(\$20,000)*
		• 445 Almond Dr. #6	(\$20,000)*
2002	-	3 Homebuyers Assisted	
		• 1419 S. School St.	(\$20,000)*
		• 854 Rutledge	(\$18,800)*
		• 1230 S. Lee	(\$20,000)*

* Indicates loans paid-off and \$298,800 in funds returned as program income for re-use in same program.

EXHIBIT B
Revised Allocations

2007-08 CDBG Program Allocations

	Initial Allocation	Revised Allocation
Estimated Allocation	\$610,460.00	Actual Allocation \$717,592.00
Reallocated Funds	\$40,596.68	Reallocated Funds \$40,596.68
	\$651,056.68	\$758,188.68
<u>City Projects</u>		
Handicap Ramp Project	\$54,339.00	\$54,339.00
Grape Bowl Accessibility Improvements	\$225,000.00	\$225,000.00
Lodi Library - Entrance Improvements	\$19,000.00	\$19,000.00
<u>Community Based Organization Projects</u>		
Lodi Boy's & Girl's Club Interior Improvements	\$10,000.00	\$10,000.00
Community Partnership for Families Resource Center	\$100,000.00	\$100,000.00
LOEL Foundation - Acquisition of 104 S. Washington	\$100,000.00	\$207,132.00
Salvation Army ADA Accessibility	\$38,654.00	\$38,654.00
<u>Community Based Organization Services</u>		
San Joaquin Fair Housing	\$8,600.00	\$8,600.00
Second Harvest Food Bank	\$10,000.00	\$10,000.00
<u>Planning and Administration</u>		
Program Administration	\$85,463.68	\$85,463.68

2007-08 HOME Program Allocation

Estimated Allocation	\$263,675.00	Actual Allocation	\$261,860.00
<u>Community Based Organization Projects</u>			
LOEL Foundation - Acquisition of 104 S. Washington	\$263,675.00		\$154,728.00
<u>City Programs</u>			
Housing Assistance - Downpayment Assistance Prog.	0		\$107,132.00

RESOLUTION NO. 2007-54

A RESOLUTION OF THE LODI CITY COUNCIL REPEALING RESOLUTION NO. 2007-40 AND FURTHER APPROVING THE REVISED DISTRIBUTION OF THE 2007-08 FEDERAL ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAM FUNDS, AND FURTHER REALLOCATING AVAILABLE FUNDS FROM PREVIOUS PROGRAM YEARS

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WHEREAS, the Department of Housing and Urban Development has determined that the City of Lodi, California, is entitled to Community Development Block Grant (CDBG) and HOME funding as a participating city through the County of San Joaquin and Urban County for fiscal year 2007-08 Federal allocation; and

WHEREAS, the City Council of the City of Lodi was made aware of the approximate amount of the CDBG and HOME funds available for the 2007-08 Federal allocation for fiscal program year 2007-08 in the amounts of \$610,460.00 and \$263,675.00, respectively; and

WHEREAS, the City of Lodi held, with proper notification, a public hearing at the City Council meeting of March 7, 2007, to receive comments and proposals from the public regarding the projected use of CDBG and HOME funds and provided the public with adequate information concerning the amount of funds available for community development activities, the range of eligible activities, and other important requirements; and

WHEREAS, the City of Lodi, California, received public input regarding the proposed use of CDBG and HOME funds; and

WHEREAS, the City Council of the City of Lodi has been made aware that the official allocation amounts were released on March 9, 2007, and that the City of Lodi's CDBG allocation is \$717,592.00 and the HOME allocation is \$261,860.00; and

WHEREAS, the revised allocations provide an additional \$107,132.00 in CDBG funds and \$1,815.00 less in HOME funds; therefore, staff recommends that the City Council adopt this Resolution revising the distribution of funds; and

WHEREAS, a second public hearing is not required to address this revision, and it is therefore recommended that the additional CDBG Program funds be distributed to those projects and programs that were approved for funding during the public hearing on March 7, 2007, more specifically as follows: that the additional \$107,132.00 in CDBG funds be allocated to the LOEL Foundation for Senior Housing Acquisition and its HOME Fund allocation be reduced by the same \$107,132.00, thereby allowing staff to dedicate that amount of HOME Program funds to the City's existing Down Payment Assistance Loan Program; and

WHEREAS, staff recommends the reallocation of \$40,596.68 of unused available CDBG and HOME funds from previous program years to supplement the 2007-08 funding and reduce the balance of unused funds, as shown as follows:

Sources of Reallocated Funds

Project 99-07	Lodi Grape Bowl Improvements	\$12,683.91
Project 02-06	LUSD – Healthy Start Scholarships	\$23,160.99
Project 02-17	Elm Street Property Acquisition	\$ 3,876.24
Project 03-15	Mary Graham Child Advocacy Center	\$ 725.00
Project 04-05	Stockton Emergency Food Bank	\$ 150.00
Project 04-14	LOEL Senior Center and Gardens	\$.54
		<u>\$40,596.68</u>

WHEREAS, staff therefore recommends the allocation of 2007-08 CDBG and HOME funds to projects as shown on Exhibit A attached hereto.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve the recommended 2007-08 Federal allocations of CDBG funds to the projects recommended by staff in the amount of 717,592.00, as shown on Exhibit A attached hereto; and

BE IT FURTHER RESOLVED that the City Council of the City of Lodi does hereby approve the recommended 2007-08 Federal allocations of HOME funds to the projects recommended by staff in the amount of \$261,860.00, as shown on Exhibit A attached hereto; and

BE IT FURTHER RESOLVED that the City Council hereby approves the reallocation of \$40,596.68 of unused available CDBG and HOME funds from previous program years to supplement the 2007-08 funding and reduce the balance of unused funds, as shown as follows:

Sources of Reallocated Funds

Project 99-07	Lodi Grape Bowl Improvements	\$12,683.91
Project 02-06	LUSD – Healthy Start Scholarships	\$23,160.99
Project 02-17	Elm Street Property Acquisition	\$ 3,876.24
Project 03-15	Mary Graham Child Advocacy Center	\$ 725.00
Project 04-05	Stockton Emergency Food Bank	\$ 150.00
Project 04-14	LOEL Senior Center and Gardens	\$.54
		<u>\$40,596.68</u>

Dated: March 21, 2007

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I hereby certify that Resolution No. 2007-54 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 21, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce, and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

Revised Allocations

2007-08 CDBG Program Allocations

	Initial Allocation	Revised Allocation
Estimated Allocation	\$610,460.00	\$717,592.00
Reallocated Funds	\$40,596.68	\$40,596.68
	\$651,056.68	\$758,188.68
<u>City Projects</u>		
Handicap Ramp Project	\$54,339.00	\$54,339.00
Grape Bowl Accessibility Improvements	\$225,000.00	\$225,000.00
Lodi Library - Entrance Improvements	\$19,000.00	\$19,000.00
<u>CBO Projects</u>		
Lodi Boy's & Girl's Club Interior Improvements	\$10,000.00	\$10,000.00
Community Partnership for Families Resource Center	\$100,000.00	\$100,000.00
LOEL Foundation - Acquisition of 104 S. Washington	\$100,000.00	\$207,132.00
Salvation Army ADA Accessibility	\$38,654.00	\$38,654.00
<u>CBO Services</u>		
San Joaquin Fair Housing	\$8,600.00	\$8,600.00
Second Harvest Food Bank	\$10,000.00	\$10,000.00
<u>Planning and Administration</u>		
Program Administration	\$85,463.68	\$85,463.68

2007-08 HOME Program Allocation

	Estimated Allocation	Actual Allocation
	\$263,675.00	\$261,860.00
<u>CBO Projects</u>		
LOEL Foundation - Acquisition of 104 S. Washington	\$263,675.00	\$156,543.00
Housing Assistance - Downpayment Assistance Prog.	0	\$105,317.00

EXHIBIT A